MEDPAC Medicare Payment Advisory Commission

MEETING BRIEF

March 22, 2002

Medicare coverage of cardiac rehabilitation programs and pulmonary rehabilitation services

ISSUE: How should we respond to the Congressional mandate that MedPAC comment on clinical coverage criteria for cardiac rehabilitation programs and pulmonary rehabilitation services? The policy issue the Congress intended us to address was whether Medicare should pay for pulmonary rehabilitation services and for cardiac rehabilitation for beneficiaries with conditions not currently covered.

The Medicare, Medicaid and SCHIP Beneficiary Improvement and Protection Act of 2000 (BIPA) required MedPAC to study Medicare's coverage of cardiac rehabilitation and pulmonary rehabilitation services and report in June 2002. The BIPA language specifies that MedPAC focus on:

- qualifying diagnoses required for coverage of cardiac and pulmonary rehabilitation therapy,
- level of physician direct involvement and supervision in furnishing such services, and
- level of reimbursement for such services (see attachment A for BIPA provision language).

KEY POINTS: MedPAC's comparative advantage is understanding the effects of policies and recommending changes. We have expertise in examining payment methods, beneficiaries' access to care, and the quality of care furnished. We do not have the expertise to make clinical determinations.

Cardiac rehabilitation consists of comprehensive programs involving medical evaluation, prescribed exercise, cardiac risk factor modification, education, and counseling. Since 1982, Medicare has covered physician-supervised cardiac rehabilitation programs for beneficiaries who: 1) have had an acute myocardial infarction within the previous 12 months, 2) have had coronary bypass surgery, or 3) have stable angina pectoris. Cardiac rehabilitation is provided in hospital outpatient departments or physician-directed clinics and physicians must provide direct supervision when services are furnished.

In February 2001, the Centers for Medicare & Medicaid Services (CMS) began evaluating whether or not medical evidence supported the use of supervised cardiac rehabilitation for beneficiaries who have conditions other than those currently covered and planned to make a national coverage decision in 2001. We planned to assess whether CMS performed due diligence in making the coverage decision.

In the process of reviewing the evidence, however, CMS encountered a dilemma. Medicare can only pay for cardiac rehabilitation as "incident to" physician services; therefore, physician supervision is required. The evidence, however, indicates that a physician's presence may not be necessary. To resolve this dilemma, CMS asked the Office of the Inspector General (OIG) to determine whether providers are in compliance with the required level of physician supervision and recommend whether CMS should continue to require direct physician supervision, develop conditions of participation for cardiac rehabilitation programs, or seek legislative authority for cardiac rehabilitation as a covered benefit (see attachment B).

The OIG is unlikely to make a recommendation any time soon because the audit department has just begun planning the study, requested by CMS in November 2001. Therefore, staff propose that the Commission send a letter to the Congress explaining that MedPAC is not the best entity to make clinical coverage decisions.

ACTION: Commissioners should discuss whether a draft letter explaining our position meets their approval for complying with this mandate.

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